

1 – SCHEME DETAILS			
<b>Project Name</b>	D0065 - The Business Growth Advisors service 2023-25 (Ph2)	<b>Type of funding</b>	Grant
<b>Grant Recipient</b>	SYMCA	<b>Total Scheme Cost</b>	£1.6m
<b>MCA Executive Board</b>	N/A	<b>MCA Funding</b>	£1.6m
<b>Programme name</b>		<b>% MCA Allocation</b>	100%
<b>Current Gateway Stage</b>	FBC	<b>MCA Development costs</b>	0
		<b>% of total MCA allocation</b>	0

2 – PROJECT DESCRIPTION	
<i>Is it clear what the MCA is being asked to fund?</i>	
<p>Yes, it is clear what the MCA is being asked to fund which is revenue support to appoint 16 x Business growth Advisors to work in and with the Local Authorities. The Advisors will work with SME's to help with improvements in business performance (overall growth, productivity, profitability and employment creation) and signpost access to funding and training resources. This is phase 2 of the project following a successful and well-received Phase 1.</p>	
3. STRATEGIC CASE	
<i>Options assessment</i>	<p><i>Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>Other options in terms of different use of the available funding have not been proposed, however this is the second phase of an already tried and tested service. The alternative options, therefore, are just</p>

	reduced levels of funding with reduced numbers of advisers and outputs reduced proportionately. The rationale for the preferred option being the increased numbers would allow a greater diversity of expertise provided to the SME sector.
<i>Statutory requirements and adverse consequences</i>	<p><i>Does the scheme have any Statutory Requirements?</i> There are no statutory requirements</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i> There are no unresolved potential adverse consequences, due to the delivery of this project, as it compliments and enhances existing business support activity in South Yorkshire, rather than replacing it.</p>
<i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i>	<p>There is a strong alignment with the SEP across all outcome areas but particularly in the Stronger and Fairer areas.</p> <p>Businesses will be referred to a range of schemes which offer training to employees to enhance their skills and achieve career progression. It is envisaged that individuals will increase their wage levels due to additional support accessed. Firms will also be introduced to the Working Win programme which helps employees access support to improve their physical and mental well-being whilst staying in work.</p> <p>Whilst the Greener outcomes are not core to this project, the proposal will refer businesses to the South Yorkshire Net Zero programme and other schemes focused on Net Zero adaption in the region.</p>

#### 4. VALUE FOR MONEY

##### Monetised Benefits:

<i>VFM Indicator</i>	<i>Value</i>	<i>R/A/G</i>
<i>Net Present Social Value (£)</i>	88.84m	
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	56.5 :1	
<i>Cost per Job</i>		

##### Non-Monetised Benefits:

*Non-Quantified Benefits*

**Social Value** – Local businesses are supported by the service which will help to generate economic growth in local areas, leading to increased levels of employment for local communities and a higher quality of employment affecting social progress for local people.

**Low Carbon** – the service will ensure that more local businesses are aware of the help available through Net Zero schemes in South Yorkshire, including the Low Carbon business support project delivered by Sheffield City Council – which offers grants to firms to invest in low carbon solutions, to reduce waste and energy consumption.

**Supply Chain** – the service will include Advisors with expertise on diversifying their supply chain, offering practical help and advice to firms to establish more localised and resilient supply chains.

**Confident Entrepreneurs** – business owners will become more aware of the range of business support schemes/initiatives that are appropriate to their needs, which they can access, de-risking in their efforts in seeking advice or investment to help them grow.

**Value for Money Statement**

*Taking consideration of the monetised and non-monetised benefits and costs, and the uncertainties, does the scheme represent value for money?*

The assumptions behind the monetised benefits above are based on the assumed increased turnover that firms will achieve after accessing the advisory service.

This is based on the proportion of firms previously accessing support who reported an increase in Turnover, applied to the numbers of firms expected to be assisted in each option in phase 2 and the empirical evidence of the average increase in turnover for businesses accessing business support services.

Firms accessing a Business Growth Advisor reported an increase in turnover	17%
Average turnover of firms receiving support in 2022/23	£1.4m
Average increase in turnover of businesses accessing business support services	19%

(Evaluation of Growth Hubs 2015-2020 – Technopolis Group April 2022)	
Number of Firms to be assisted through Phase 2 scheme	2200
$2200 \times 17\% = 340 \times \text{£}1.4\text{m} = \text{£}476\text{m} \times 19\% = \text{£}90.44$	

Whilst quite simplistic in approach it does capture the main aim of the project and is consistent with the Strategic objectives. Sensitivity testing on the proportion of SME's and level of increase in TO still produce a good BCR at much lower levels.

The justification for the selection of the preferred option is clear in its ambition to create the wider economic and social benefits which is not possible with the alternative options which would limit the scale of the service.

The monetised benefits together with a clear ranking of non-monetary benefits, do represent VfM.

## 5. RISK

*What are the most significant risks and is there evidence that these risks are being mitigated?*

The table below are the top 5 risks presented in the FBC. These are the only risks in the project risk register. Whilst they do capture the main risk areas, they are quite high level and there are likely to be other more specific risks with regard to the recruitment and retention of the advisors.

No.	Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation	Owner
1	Outputs – There is a risk that the outputs are not achieved. The project aims to support 2000 businesses. A risk is that we do not meet these outputs.	Low	High	Regular progress checks will be undertaken by the Contracts team and shared with local authority partners and Business Growth Advisors in order to achieve the target outputs.	Contracts team
2	Consistency – As advisors are embedded in Local Authorities and have some	Low	Medium	The Business Growth Advisors and Local Authorities will receive	Local Authority Heads.

	autonomy, information may vary from advisor to advisor.			regular briefs from the MCA in relation to best practice and consistent messaging.	
3	Data – As advisors are embedded in Local Authorities the individual LA has the task of providing the MCA with business support data.	Low	High	Regular data requests will be made by the MCA and quality of data checked.	Local Authority Heads.
4	Reputational risk suffered by the MCA, due to poor advice given by Business Growth Advisor.	Low	High	All Advisors provided with support on quality standards, as part of the contractual obligations.	Local Authority Heads + Growth Hub
5	Project fails to deliver its strategic objectives	Low	High	Advisors to be provided with clear information about the strategic priorities of the MCA, through all contracts issued.	Contracts Team, Growth Hub, Local Authority Heads.

*Do the significant risks require any contract conditions? (e.g. clawback on outcomes)*

Clawback on outputs.

*Are there any significant risks associated with securing the full funding for the scheme?*

Whilst there isn't any other funding for this project delivery, the Growth Hub service, which facilitates referrals to Advisors, has funding secured for 2023/24, from the Department for Business and Trade (DBT). However, funding for 2024/25 is yet to be announced by government.

*Are there any key risks that need to be highlighted in relation to the procurement strategy?*

No, the Business Growth Advisors, will be contracted via the Bloom procurement framework, which has been successfully deployed to manage similar services in South Yorkshire, for several years.

## 6. DELIVERY

*Is the timetable for delivery reasonable?*

Yes, the timetable for delivery is reasonable.

*Is the procurement strategy clear with defined milestones?*

Yes the procurement strategy is clear with defined milestones.

*What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promotor confirmed they will cover any cost overruns?*

The level of cost certainty is 100%. This is based on the historical cost data from phase 1 project. However, given the scarce labour market and current wage demands this might make achieving comparable rates challenging.

*Has the promotor demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed of this business case?*

Yes, there is a very clear governance structure highlighted, showing the projects fit within the MCA structure. The SRO has been identified.

*Has public consultation taken place and if so, is there public support for the scheme?*

The project has not been subject to public consultation, but the proposals have been developed with the support of local authority partners.

*Are monitoring and evaluation procedures in place?*

Yes there are clear plans in place to collect and evaluate all relevant data relating to the service and its beneficiaries.

## 7. LEGAL

*Has the scheme considered Subsidy Control compliance or does the promotor still need to seek legal advice?*

Yes, the scheme has considered Subsidy Control and has concluded that as the project relates to services procured by SYMCA, Subsidy Control is not applicable.

## 8. RECOMMENDATION AND CONDITIONS

<b>Recommendation</b>	Proceed to contract
<b>Payment Basis</b>	Defrayal
<b>Conditions of Award (including clawback clauses)</b>	
Prior to contact (or equivalent) execution: Business case to be signed Business Support Data collection arrangements to be agreed with the LA's	

**To be included in the contract**

Clawback on achievement of outputs.